

## ATTACHMENT 2

Regulation 18707.1 (General Rule):  
No Change

Regulation 18707.3 (Existing Small Jurisdiction Rule):  
Amend

**ATTACHMENT 2**

**OPTION B**

**18707.1. Public Generally. General Rule.**

(a) Except as provided in Government Code sections 87102.6 and 87103.5, the material financial effect of a governmental decision on a public official's economic interests is indistinguishable from its effect on the public generally if both subdivisions (b)(1) and (b)(2) of this regulation apply.

(b) Significant Segments and Indistinguishable Effects.

(1) Significant Segment. The governmental decision will affect a "significant segment" of the public generally if any of the following are affected as set forth below:

(A) Individuals. For decisions that affect the personal expenses, income, assets, or liabilities of a public official or a member of his or her immediate family, or that affect an individual who is a source of income or a source of gifts to a public official, the decision also affects:

(i) Ten percent or more of the population in the jurisdiction of the official's agency or the district the official represents; or

(ii) 5,000 individuals who are residents of the jurisdiction.

(B) Real Property. For decisions that affect a public official's real property interest, the decision also affects:

(i) Ten percent or more of all property owners or all homeowners in the jurisdiction of the official's agency or the district the official represents; or

(ii) 5,000 property owners or homeowners in the jurisdiction of the official's agency.

(C) Business Entities. For decisions that affect a business entity in which a public official has an economic interest the decision also affects 2,000 or twenty-five percent of all business entities

1 in the jurisdiction or the district the official represents, so long as the effect is on persons  
2 composed of more than a single industry, trade, or profession. For purposes of this subdivision,  
3 a not for profit entity other than a governmental entity is treated as a business entity.

4 (D) Governmental Entities. For decisions that affect a federal, state or local government  
5 entity in which the public official has an economic interest, the decision will affect all members  
6 of the public under the jurisdiction of that governmental entity.

7 (E) Exceptional Circumstances. The decision will affect a segment of the population which  
8 does not meet any of the standards in subdivisions (b)(1)(A) through (b)(1)(D), however, due to  
9 exceptional circumstances regarding the decision, it is determined such segment constitutes a  
10 significant segment of the public generally.

11 (2) Substantially the Same Manner: The governmental decision will affect a public official's  
12 economic interest in substantially the same manner as it will affect the significant segment  
13 identified in subdivision (b)(1) of this regulation.

14 COMMENT: The term "affect all members of the public" is intended to cover decisions  
15 affecting the public in general but to exclude decisions which uniquely benefit a public official.

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17 NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87103,  
18 Government Code.

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20 **18707.3. Public Generally - Small Jurisdictions; Principal Residence.**

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22 (a) The effect of a governmental decision on the principal residence of a public official is not  
23 distinguishable from the effect on the public generally where all of the following conditions are  
24 met:

25 (1) The public official's agency has jurisdiction over a population of 25,000 **[Decision 1]****[or:**  
26 10,000] or less **[Decision 2]** [or encompasses a geographic area of [1/2/3] square miles or less].

1 [(2) **[Decision 3A]** The decision does not have a direct effect (~~as provided in~~ under Title 2,  
2 California Code of Regulations, **[See Decision 3B]** sections 18704.2(a)(1) – (5)) on the real  
3 property that serves as the public official's principal residence.]

4 (3) The real property that serves as the public official's principal residence is more than  
5 **[Decision 3B]** [500] [300] feet from the boundaries of the property which is the subject of the  
6 decision.

7 [(4) **[Decision 4]** There are at least 100 properties under separate ownership which are  
8 **[Decision 4A]**[within a 2,500 foot radius of the boundaries of the property which is the subject  
9 of the decision.] **[Decision 4B]** [located within the same radius from the boundaries of the  
10 property which is the subject of the decision as the public official's property is located.]  
11 **[Decision 4C]** [the subject of the decision].]

12 (5) The principal residence is located on a parcel of land not more than one acre in size, or  
13 which, under the zoning and subdivision regulations of the jurisdiction in which it is located,  
14 cannot be further subdivided.

15 (6) The effect of the decision on the official's real property interest will be substantially the  
16 same as the effect of the decision on the majority of the residential properties **[Decision 5:**  
17 **choose Decision 4A or 4B distance]** ~~which are beyond 500 feet, but within 2,500 feet of the~~  
18 ~~boundaries of the real property that is the subject of the decision~~ **[Decision 4A]** [within a 2,500  
19 foot radius of the boundaries of the property which is the subject of the decision.] **[Decision 4B]**  
20 [located within the same radius from the boundaries of the property which is the subject of the  
21 decision as the public official's property is located.]

22 (b) For purposes of this regulation, “principal residence” means the domicile of a person, in  
23 which the person's habitation is fixed, wherein the person has the intention of remaining, and to

1    which the person, whenever he or she is absent, has the intention of returning. At any given time,  
2    a person may have only one principal residence. With respect to units in condominium  
3    complexes, planned unit developments, and similar residences, “the real property that serves as  
4    the public official's principal residence” and “principal residence,” as used in this regulation,  
5    means the unit or space in which the official has a separate ownership interest.

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7    NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87103,  
8    Government Code.

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